



Reorganizing and Modernizing Local Government through Consolidation

Presenters

Donna Dunk – Sonoma County

Jim Erb – San Luis Obispo County

Larry Walker – San Bernardino County



Agenda

- ❖ Background: Government Code, History, Other Counties
- ❖ Consolidation process: examples and lessons from Sonoma, San Luis Obispo, and San Bernardino counties

Government Code

§1099: A public officer shall not simultaneously hold two public offices that are incompatible

§24009: Identifies offices to be elected by the people – requires a vote of the people to move it to an appointed position

§24011: Discusses the assignment of the Office of Public Administrator

§24300: Identifies a number of acceptable office to consolidate

§24300.5: may by ordinance consolidate the offices of auditor, controller, treasurer, tax collector, and director of finance”

§24304: Identifies more acceptable office consolidations if approved by the Board of Supervisors but not ACTTC

§24304.1: Identifies other acceptable consolidations – not ACTTC

Government Code

§ 24304.2: Identifies specific counties that the Board may consolidate (Mendocino, Santa Cruz, Sonoma, Trinity, and Tulare)

Qualifications:

§ 26945 - Auditor-Controller

§ 27000.7 – Treasurer Tax Collector

SLO County Ordinance requires candidate to meet both Auditor-Controller and Treasurer Tax Collector Qualifications and CE requirements

Also consolidated conflict of interest code.

Legislative Oversight Hearing, 2010

- ❖ Prudence and Economy, May 2010 Legislative Oversight Hearing: Testimony from a number of Auditor-Controller's and Treasurer-Tax Collectors
- ❖ No consensus on:
 - Whether Counties would benefit from a simplified and standardized statute governing the consolidation of county offices
 - What issues relating to county office consolidations should be addressed by State law
 - Whether county office consolidations save money or improve services
 - What role the voters should play in consolidating county offices
 - Whether state law should authorize different consolidations in charter counties and general law counties.
 - How state law should ensure that officeholders possess the specialized qualifications necessary for some county officials
 - Whether state law should still allow the consolidation of auditor-controller and treasurer-tax collector.

Legislative Oversight Hearing

❖ State's Conclusion

“Because of the lack of consensus or even broad agreement on most issues discussed any successful legislative effort would require focused legislative leadership and concerted efforts to build coalitions among county officials.”

- ❖ We have included a copy of the report, Prudence and Economy on the thumb drives also the Attorney General Opinion and all of the Government Code sections mentioned in the presentation.

Counties that have consolidated offices

- Alpine
- Fresno
- Glenn
- Kings
- Marin
- Mono
- Sacramento
- San Bernardino
- Santa Cruz (1/2015)
- San Luis Obispo
- Santa Clara
- Sierra
- Sonoma
- Tulare
- Yolo



Case Study: Sonoma County

Why Did We Consolidate?

- ❖ The Board of Supervisors (BOS) issued a directive in 1992 for County departments to evaluate reorganization possibilities to increase efficiencies.
- ❖ Over the years, the County successfully completed a number of consolidations reducing the number of departments from over 34 to its current total of 26.
- ❖ The Treasurer-Tax Collector announced his retirement in 2005 and stated his support for a consolidation.
- ❖ There was no significant internal resistance to the consolidation.

Background Information

- ❖ **June 2006:** BOS/Voters agreed to call the consolidated position the Auditor-Controller-Treasurer-Tax Collector and keep it as an elected position
- ❖ **January 2007:** The first elected term as ACTTC began
- ❖ **Pre consolidation (2006):**
 - Auditor-Controller's Office had 71 FTE's
 - Treasurer-Tax Collector's Office had 36 FTE's
- ❖ **After consolidation (2006-2007):** Newly consolidated office (ACTTC) had 107 FTE's
- ❖ **2009:** In 2009 the office was completely remodeled to better serve the newly combined organization

Goals and Benefits

❖ **Goal:** Provide one-stop services to constituents who have inquiries about financial matters, including questions about property tax payments

❖ **Benefits Realized:**

- In 2009, office was remodeled to provide one customer service area for tax payments, inquiries, reception, etc.
- Design of new office space better represents the newly combined office structure and removes existing walls between the two departments

Goals and Benefits

- ❖ **Goal:** Combine both department administrative operations such as payroll, contract and claims management, budget preparation, HR, purchasing, clerical support and reception – which frees up resources to provide direct services to the public

- ❖ **Benefits Realized:**
 - An Administration Division was formed to consolidate all administrative functions into one division
 - Went from 107 FTEs in 2006 to 92 FTEs today, which includes 6 time-limited FTEs for the ERP system implementation (added in the last 2 years)
 - Reduced total FTEs by 15 since the merger (21 FTEs excluding the 6 time-limited ERP positions)

Goals and Benefits

❖ **Goal:** Eliminate one public official position and allow for the funds associated with the salary and benefits of that individual to be used to enhance other Board priority programs/services

❖ **Benefits Realized:**

- Treasurer-Tax Collector position eliminated. One less Elected Official and one less Department Head. Annual ongoing savings initially estimated at \$270,000 (not adjusted for inflation)

Goals and Benefits

❖ **Goal:** Focus fiscal management resources in one unified team

❖ **Benefits Realized:**

- Better staff utilization during peak times (Property Tax Collection staff and Accounting staff)
- Accounting/Treasury staff work more closely together
- TRANS issuance – One team in one office
- More promotional opportunities for all staff
- More varied experience opportunities for all staff

Facilitating a Smooth Consolidation

- ❖ Department Head met with each employee individually to receive feedback and hear concerns
- ❖ Created an anonymous “V” drive where staff could ask questions and get answers quickly
- ❖ Created a variety of committees involving staff from both offices
- ❖ Obtained Board of Supervisors agreement that consolidation would not result in lay-offs and messaged this to employees

Facilitating a Smooth Consolidation

❖ Consolidation Steering Committee

- Consisted of 15 management and non-management staff personally invited by the Department Head
- Goal was to “champion and lead” the consolidation
- Members led four “Action” subcommittees that included staff from both offices:
 - Comradery & Teamwork Subcommittee
 - Marketing Services Subcommittee
 - Improving Services & Efficiencies Subcommittee
 - Internal Functions Subcommittee

Facilitating a Smooth Consolidation

❖ Administrative Committee

- Specifically focused on the Administrative staff/functions for each office
- Formed new Administrative Division
- Worked with HR on job reclassifications
- Worked on changing letterhead, business cards, etc.
- Provided recruitment/transfer information to staff to aid job transitions, bring staff together, and eliminate the perception of preference.

Office Remodel (2009)

- ❖ Took about one year to finish. Building was completely gutted and remodeled to house the newly combined office
- ❖ Moved employees out of building to a temporary office
- ❖ Utilized an architect to design a space with these goals:
 - Provide safety and security equal to a bank branch
 - Improve customer service by consolidating two lobbies into one lobby/payment collection area
 - Eliminate building structural barriers to allow two offices to operate as one office and team
 - Provide a flexible office structure to meet other County department office needs

Important Lessons for Smooth Consolidation

- ❖ The remodeled office helped to bring the two departments together and helped realize efficiencies
- ❖ Involve staff early and often in making recommendations and the ultimate decisions
- ❖ Take time to listen to staff – Respond quickly to inaccurate (“water cooler”) rumors
- ❖ Give staff from both offices the opportunity to work together and get to know each other better
- ❖ Be prepared for a lot of time and work to enable a smooth transition

Important Lessons for Smooth Consolidation

- ❖ Know your goals and vision for the future
- ❖ Develop and stick to a strong process
- ❖ Significant benefits can be realized!



Case Study: San Luis Obispo County

Steps Leading to Consolidation

- ❖ Discussion started about 3 years before consolidation
- ❖ Interviewing other Counties
- ❖ Discussions with the Administrative Office and BOS
- ❖ Sudden vacancy of the TTC's position
- ❖ Opposition
 - Previous Treasurer and Assistant Treasurer
 - Claimed consolidation was illegal
 - Different skills – Treasurers are forward looking and Auditor-Controllers deal with history.

Steps Leading to Consolidation

- ❖ Board of Supervisors tentatively approved on May 14, 2013, by a 3 to 2 vote
 - Requested Document from Auditor-Controller addressing:
 - Preserving the organizational culture while maintaining the focus on Public Service
 - Maintaining Check and Balances, Internal Control
 - Development of a staffing plan
 - Integrating each department's IT projects
- ❖ Board item number 22 - May 14, 2013 –
- ❖ Board item number 34 – July 9, 2013 –
- ❖ Consolidation became effective August 12, 2013

After the BOS Decision

❖ First goals:

- Quickly eliminate we/they mentality
- Develop common vision for new department.
- Establish a culture of teamwork, constructive and open communication, and commitment to vision.
- Develop priorities and an action Plan

Initial Post-Consolidation Activities

❖ Process:

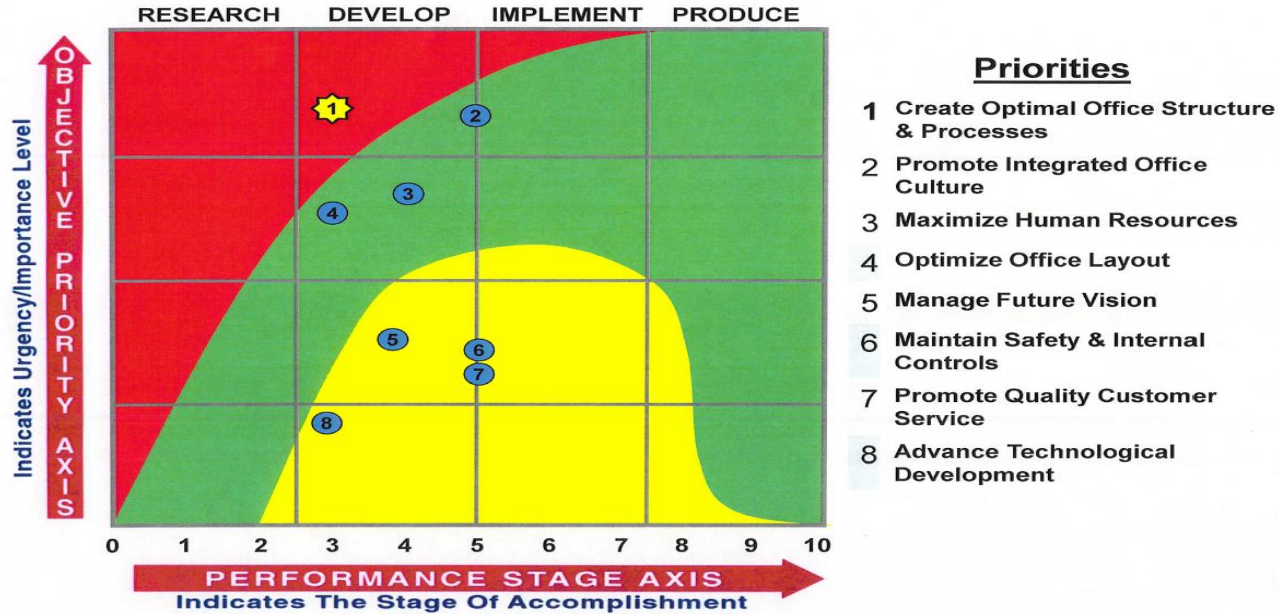
- Aug. 2013: Hired Organization Change Consultant (\$25k)
- Aug.-Sept. 2013: Leadership from both the offices of Treasurer-Tax Collector and Auditor-Controller developed a draft of a common Mission and Vision Statement for the combined office.
- Early Oct. 2013: Low cost “offsite” planning session
 - KEY: Led by a skilled Organizational Change Consultant, a neutral third party.
 - Participation included cross section of management and key staff from all areas of the office, 25 people (40% of office).
 - Two 1.5 day sessions, one week apart.

Offsite Planning

- ❖ Reviewed, edited, and obtained buy-in to Mission and Vision Statements
- ❖ Structured team exercises to:
 - First brainstorm and generate ideas (had over 250!)
 - Then distill the ideas into larger themed objectives
 - Then prioritize the large objectives
 - Then develop specific action plans to accomplish the objectives
- ❖ Process called “Aligned Management Catalyst”

AMCat Process

ACTTC- Diagnostic Matrix





First Year Key Objectives

- ❖ Promote optimal office structure and processes
- ❖ Optimize office layout
- ❖ Promote integrated office culture
- ❖ Maximize human resources

First Year Accomplishments

- ❖ Promote optimal office structure and processes
 - Developed new combined Organizational Chart
 - Implemented new combined Public Service function to improve service to customers
 - Established combined office-wide Automation and Tech Support Group
 - Developed common policies and procedures

First Year Accomplishments

❖ Optimize Office Layout

- Relocated functional areas for more efficient collaboration and cross-training (e.g., public service, admin support, tech support, property tax functions)
- Established one location for customer service for both the public and county agencies
- Remodeled several areas for more efficient use of resources

First Year Accomplishments

- ❖ Implemented office-wide “functional tours” to familiarize staff with other parts of the office.
- ❖ Established office-wide events and social committee
- ❖ Implemented office-wide employee recognition program

First Year Accomplishments

❖ Maximize Human Resources

- Consolidation provided more career path opportunities resulting in at least nine internal promotions
- Implemented office-wide 9/80 work schedules, previously unavailable in Tax Collector division
- Office-wide training programs for shared technology and processes
- Improved cross-training and coverage for critical business processes

First Year Accomplishments

- ❖ First Year savings of over \$220,000, (4%) after taking into account costs of remodeling
- ❖ County-wide survey shows ACTTC among County leaders in morale/employee satisfaction
- ❖ Record breaking performance for Secured Property Tax Collection
- ❖ Internal Promotions

Next Steps

- ❖ Common job classifications.
- ❖ Expand best practices.
- ❖ More cross training.
- ❖ Continued emphasis on efficiencies and technology.



Case Study: San Bernardino County

History

❖ 1981

- Recorder consolidated with Auditor-Controller
- County Clerk with Superior Court
- Clerk of the Board of Supervisors assumed many of the County Clerk duties

❖ 1998 (we are working to verify the date)

County Clerk to ACR

❖ 10/26/2004

- County Coroner reorganized and consolidated with Sheriff
- Public Administrator duties consolidated with TTC
- Public Guardian duties assigned to Department of Aging and Adult Services

History

❖ 2/6/2009

Assessor resigns in disgrace

❖ 5/14/2009

TTC retires unexpectedly (effective 7/3/2009)

❖ 7/14/2009

Assistant Assessor appointed Assessor

❖ 5-11/2009

Board of Supervisors uncertain how to fill TTC vacancy

❖ 11/2009

Board of Supervisors staff approached Larry Walker with proposal to combine TTC and ACR

History

❖ 1/12/2010

Board of Supervisors approves ordinance consolidating ACR, TTC, & Assessor offices (1st reading)

❖ 1/26/2010

- Board of Supervisors final consolidation ordinance approval
 - ACR consolidated with TTC and Director of Central Collections appointment
 - Public Administrator is consolidated with the Sheriff
 - Recorder is consolidated with the Assessor and County Clerk appointment effective 1/3/2011

❖ 2/2010

Candidate Filing opened for Countywide offices

❖ 1/2011

Countywide Elected Officials Assume Consolidated Offices

1. Auditor-Controller/Treasurer/Tax Collector (appointed Director of Central Collection)
2. Assessor-Recorder (appointed County Clerk)
3. Sheriff/Coroner/Public Administrator

Observations

1. The consolidation of offices really did save money
 - 3/15/2010 Report to the Board of Supervisors stated that our consolidation resulted in the deletion of 21 positions, the addition of two positions, and reclassification of one position for an immediate ongoing savings of \$927,000.
 - The elimination of one elected official and one IT Division Chief was about half of the ongoing savings.
2. We broke even in upper management costs
3. Series of organizational challenges:
 - 2/1/2010 Assumed T/TC duties
 - Consolidated Department IT
 - Some audits were outsourced
 - 2/1/2010 Assumed Director of Central Collections duties
 - 2/1/2010 Became SBCERA Trustee
 - 2-12/2010 Prepared for transition of Recorder & County Clerk duties to the Assessor
 - IT services closely intertwined – ATC continued to provide IT services to the Assessor
 - 10/2010 Became Managing Trustee of SBCERA (Acting Executive Officer)

Integration Phase II

1. Consolidated Department Administration, personnel management, training, budget, payroll, travel, payables, contract management, printing requests, supplies, and building maintenance and repair.
2. Consolidated Department IT services – Were previously functioning as three independent divisions at the Department's three locations.
3. Regular meetings with new Management Team, all Division Chiefs, and managers.
4. Employee Communication – Placed heavy emphasis on employee communication, stressed the importance of functioning as one department, worked to eliminate old boundaries and silos.

Long Term

1. Greatly improved Treasury and accounting staff teamwork and communication related to cash management.
2. Provided cross training, assignment rotation, and professional growth opportunities that were not previously available.
3. Provided additional staffing resources during peak periods, i.e. tax installment and apportionment.
4. 6/2015 Consolidation of three ATC office buildings into one newly remodeled building.

Questions?

